

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA GAS O&M**

Subcontract Labor

Sum of Amount			Ledger Type			
Object	Charging F	Charging Responsibility Descri	2014 Actual	2015 Budget	Change	% Change
5211	129	Credit Collections	35,407	63,840	28,433	80.3% review
	135	Black Hills Region Manager	283,517	400,000	116,483	41.1% review
	215	Mobridge District Manager	342,426	275,000	(67,426)	-19.7% review
	302	Northern Hills District	65,998	45,000	(20,998)	-31.8% review
	711	Customer Services, Dir	18,987	24,000	5,013	26.4% not reive
	713	Customer Development/Programs	123,439	134,500	11,061	9.0% review
	721	IT Risk Mgt	65,731	24,000	(41,731)	-63.5% review
	752	Treas Serv Montana-Dakota Only	93,714	90,113	(3,601)	-3.8% not reive
	887	Dir. of Distrib. Engineering	221,731	445,000	223,269	100.7% review
	888	Communications	37,121	154,980	117,859	317.5% review
	920	Office Services	184,210	211,574	27,364	14.9% review
	925	Director Reg. Affairs	104,690	11,050	(93,640)	-89.4% review
	926	Information Systems	59,824	144,000	84,176	140.7% review
	931	Gas Supply	4,560	5,300	740	16.2% not reive
	951	GIS Department		18,000	18,000	#DIV/0! review
	961	Transportation Department	21,303	29,292	7,989	37.5% not reive
	962	Buildings and Grounds	162,912	364,555	201,643	123.8% review
	963	VP Human Resources	50,923	57,650	6,727	13.2% not reive
	964	Mobile Services Manager	75,403	66,700	(8,703)	-11.5% not reive
	988	Corporate Airplane	269,275	228,125	(41,150)	-15.3% review
	994	MDUR Cross Charge to MDU	247,856	203,604	(44,252)	-17.9% review
			2,469,026	2,996,283	527,257	21.4%

		2014	Pro forma		
129	Credit Collections	\$5,295	\$5,295	Cust Acct	1/
135	Black Hills Region Manager	283,517	400,000	Dist	2/
215	Mobridge District Manager	90,512	90,512	Dist	1/
302	Northern Hills District	65,998	45,000	Dist	2/
711	Customer Services, Dir	2,926	2,926	Cust Acct	1/
713	Customer Development/Programs	21,642	21,642	Cust Acct	1/
721	IT Risk Mgt	6,755	6,755	A&G	3/
752	Treas Serv Montana-Dakota Only	8,210	8,210	A&G	1/
887	Dir. of Distrib. Engineering	41,598	41,598	Dist	4/
888	Communications	3,738	3,738	Dist., A&G	5/
920	Office Services	16,370	17,207	A&G	6/
925	Director Reg. Affairs	8,303	8,303	A&G	1/
926	Information Systems	8,139	19,591	Cust Acct,	7/
951	GIS Department		0		8/
961	Transportation Department	2,277	2,277	A&G	1/
962	Buildings and Grounds	14,332	23,246	A&G	9/
963	VP Human Resources	5,354	5,354	A&G	1/
964	Mobile Services Manager	8,850	8,850	Cust Acct	1/
988	Corporate Airplane	23,743	23,743	A&G	1/
994	MDUR Cross Charge to MDU	21,800	21,800	A&G	1/
	Other	2,252	2,252	Various	1/
		641,611	758,299		

	2014	Pro forma
Gas Supply	\$777	\$777
Distribution	469,000	580,693
Customer Acct.	51,974	56,638
A&G	119,860	120,191
Total	641,611	758,299

- 1/ No change.
- 2/ Black Hills 2014 was lower than normal. Northern Hills 2015 budget is understated. Reviewed combined budgets and overall 2015 budget should reflect normal expenses.
- 3/ Is anticipated to decrease as new systems are added. Reviewed through March and little change. No change.
- 4/ Increase is primarily in electric segment.
- 5/ Increase anticipated in radio tower maintenance, AMR collectors, UPS and maintenance on Mandan office. Reviewed through March, no change from 2014. No change.
- 6/ Imaging costs for 2014 were delayed and 2015 budget represents normal.
- 7/ 2014 was lower than normal, use 2015 Budget. Also reviewed 3 year history.
- 8/ 2015 Budget reflects expenses that may nor may not be needed. No change.
- 9/ Increase relates primarily to ongoing painting and scanning. Non-recurring items from the 2015 Budget were excluded.

**MONTANA-DAKOTA UTILITIES CO.
INCREASE IN SUBCONTRACT LABOR
2015**

	2014	Budget 2015
<u>920</u> <u>Office Services</u>		
Increase in 2015		\$10,000
Allocate to gas - (#28)		42.700000%
Allocation to SD (#27)		19.590418%
Increase to South Dakota Gas		<u>\$837</u>

Increase due to image scanning not done in 2014.

<u>962</u> <u>Buildings & Grounds</u>	\$162,912	\$364,555
Increase in 2015		201,643
Less: Duct cleaning and elevator rails (one-time)		<u>(95,082)</u>
Ongoing increase (primarily painting and records scanning, also snow removal costs were low in 2014)		106,561
Allocate to gas - (#28)		42.700000%
Allocation to SD (#27)		19.590418%
Increase to South Dakota Gas		<u>\$8,914</u>